

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-286 -WS**

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**2007 NOV 14 PM 4:45**  
**SC PUBLIC SERVICE**  
**COMMISSION**

IN RE: )  
)  
Application of Utilities Services of )  
South Carolina, Inc. for adjustment of )  
rates and charges and modifications to )  
certain terms and conditions for the )  
provision of water and sewer service. )  
\_\_\_\_\_ )

**DIRECT TESTIMONY**  
**OF**  
**BRUCE T. HAAS**

**1 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Bruce T. Haas, and my business address is 110 Queen Parkway, West  
3 Columbia, South Carolina 29169.

**4 Q. WHERE ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am Regional Director of Operations for Utilities Services of South Carolina, Inc.  
6 ("USSC") for South Carolina and for six other operating subsidiaries of Utilities, Inc., four  
7 of which are in South Carolina and two of which are in Georgia.

**8 Q. HOW LONG HAVE YOU BEEN EMPLOYED IN THE WATER AND SEWER**  
**9 UTILITY INDUSTRY?**

10 A. Approximately 29 years.

**11 Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

12 A. I first began my employment as a meter reader and maintenance worker in 1978  
13 by Lake Holiday Utilities, Corp., which is also a subsidiary of the Company's parent,  
14 Utilities, Inc. During the next several years, I was promoted to Operator and Operating

1 Manager positions for a number of Utilities, Inc. subsidiary systems, while earning  
2 various water and wastewater licenses in Illinois and Ohio, including the highest levels of  
3 water treatment and wastewater treatment licenses from the Illinois EPA. I eventually  
4 became the Area Manager for the Peoria, Illinois region, overseeing the water and  
5 wastewater facilities in this area. In 1989, I transferred to Charlotte, North Carolina  
6 where I accepted the position of Area Manager for several areas for Carolina Water  
7 Service, Inc. of North Carolina, a sister subsidiary of the Company, a job I also  
8 performed for the Company which involved operations of the River Hills and Tega Cay  
9 Systems in York County, South Carolina. I was eventually promoted to Regional  
10 Manager while in Charlotte. During this time I also obtained various water and  
11 wastewater licenses in Water Treatment, Water Distribution, Wastewater Collection, and  
12 Backflow/Cross-Connection certifications from the State of North Carolina and took  
13 night courses in Civil Engineering Technology. I also hold the highest levels of water  
14 and wastewater certifications for Water Treatment, Water Distribution, Wastewater  
15 Treatment and Wastewater Collection from the State of South Carolina. Additionally, I  
16 have successfully completed the utility regulation seminar sponsored by NARUC. In  
17 2002, I was promoted to my current position as Regional Director and given  
18 responsibility for the Company's systems in South Carolina, along with two subsidiary  
19 companies located in Georgia. However, the majority of my time is spent working on  
20 issues pertaining to the Company's South Carolina systems.

21 **Q. WHAT ARE YOUR DUTIES WITH USSC?**

1 A. I am responsible for making sure our customers receive the best possible service.  
2 As such, I am responsible for all operating personnel, facilities, maintenance and capital  
3 projects. In addition, I am responsible for communications with state and federal  
4 regulators, including state utility commissions and environmental authorities as well as  
5 other operational issues.

6 **Q. WOULD YOU DESCRIBE YOUR EXPERIENCE IN WORKING WITH OR**  
7 **TESTIFYING BEFORE STATE UTILITY COMMISSIONS REGARDING RATE**  
8 **CASES?**

9 A. Yes. I have testified before the commissions in North Carolina and South  
10 Carolina, along with working with staff of the Illinois Commerce Commission during my  
11 tenure with the Company.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING,**  
13 **MR. HAAS?**

14 A. The purpose of my testimony is to provide the Commission with a brief overview  
15 of the origin of USSC, its operations and its efforts to provide customers with the best  
16 possible water and sewer utility service and to support the portion of the Company's  
17 application seeking a uniform rate schedule for all of its customers.

18 **Q. MR. HAAS, WOULD YOU BRIEFLY DESCRIBE THE COMPANY'S WATER**  
19 **AND SEWER OPERATIONS HERE IN SOUTH CAROLINA?**

20 A. Yes. USSC provides water service to 6,854 customers through eighty-two  
21 separate water systems. We serve 376 sewer customers through four separate sewer  
22 systems. We deliver safe and reliable water service to our customers' homes by way of

1 deep drilled wells or through the purchase and resale of bulk water. We also provide full  
2 sewer service through our wastewater collection, transportation and treatment facilities.

3 **Q. WITHIN USSC, WHO IS RESPONSIBLE FOR ENSURING THAT CUSTOMERS**  
4 **ARE RECEIVING THE BEST POSSIBLE SERVICE?**

5 A. I have the overall responsibility for ensuring that our customers receive the best  
6 possible service. In order to discharge this responsibility, I make every effort to see that  
7 the company hires and maintains a highly qualified and professional staff of individuals  
8 both in the office and in the field. Together, we continue to make customer satisfaction  
9 the primary responsibility of each and every employee of USSC.

10 **Q. WHAT ONGOING PROGRAMS DOES THE COMPANY HAVE IN PLACE TO**  
11 **HELP ENSURE THAT CUSTOMERS RECEIVE QUALITY UTILITY**  
12 **SERVICE?**

13 A. First and foremost, we make certain that our operations personnel are duly  
14 certified by environmental regulatory authorities. We provide training resources in order  
15 to increase their knowledge and education in the water and wastewater fields. Many of  
16 our licensed operators hold the highest levels of water and wastewater certifications from  
17 the State of South Carolina and we also employ two (2) registered Professional  
18 Engineers. We also hold periodic staff meetings to specifically address service concerns,  
19 as well as to increase employee sensitivity to customer satisfaction. Topics covered  
20 include service problems we have encountered, steps taken to solve these problems, new  
21 regulations and cost control measures. These regular meetings also serve as an  
22 opportunity to reinforce our customer service philosophy, as well as to keep each of us

1 focused on what is important – our customers. Continuing education programs are  
2 provided for all employees, including classes routinely conducted by Company staff as  
3 well as outside consultants. Our most valuable resource is our personnel. By keeping up  
4 to date with new methods and changing regulations, we enable them to provide better  
5 service and hold down costs.

6 To ensure that our customers are provided the best possible service we also  
7 employ a capital improvements program, as well as ongoing operational programs such  
8 as routine testing and periodic water main flushing to improve water quality, the use of  
9 sequestering agents to reduce the effects of minerals which may occur naturally in ground  
10 water, the cleaning of between 10%-20% of sewer collection mains each year to  
11 minimize the potential for back-ups, and a 24-hour-a-day, seven-day-a-week on-call  
12 emergency service. These programs also ensure that company-wide facilities are  
13 properly maintained and safety standards met.

14 Communication with our customers and community leaders regarding issues  
15 which may have an impact on the quality or cost of service is also an important aspect of  
16 our business. As increased environmental regulation continues to place upward pressure  
17 on the cost of providing service, it becomes more important for us to inform customers of  
18 the measures we must take to ensure that their drinking water is safe and that their  
19 waterways are protected. Included in these customer communication efforts are  
20 attendance at Property Owners Association (POA) meetings when we are notified,  
21 customer letters, bill inserts and back-of-the-bill messages, the submission of information  
22 to local media outlets, annual Consumer Confidence Reports detailing the Safe Drinking

1 Water Act compliance, and new customer welcome packets introducing our company and  
2 providing contact information for problems or concerns.

3 In addition to these efforts, the Company has also implemented an automatic  
4 message delivery system whereby we are able to provide specific information to  
5 customers in a particular geographic area or subdivision, advising them of upgrades or  
6 repairs being done to their system. We are also able to notify customers in advance of  
7 scheduled repairs, along with boil water advisories following water line repairs, periodic  
8 flushing of the water system, or other updates regarding repairs being made.

9 **Q. HAS INCREASED FEDERAL REGULATION OF THE WATER AND**  
10 **WASTEWATER UTILITIES CONTINUED TO HAVE AN IMPACT ON THE**  
11 **COMPANY?**

12 A. Absolutely, yes. The Safe Drinking Water Act, or SDWA, and the Clean Water  
13 Act, or CWA, have changed the way in which water and sewer utilities conduct their  
14 business. DHEC implements statutes and regulations adopted by the State of South  
15 Carolina under these federal enactments. Additional costs have been placed upon water  
16 and wastewater utilities to comply with more exacting limits in both areas. While we  
17 have already complied with many of the requirements contained in the reauthorization of  
18 the SDWA, new requirements continue to be promulgated. Likewise, the requirements of  
19 the CWA continue to evolve.

20 **Q. WHAT IMPACT DOES THIS HAVE ON THE COMPANY'S CUSTOMERS?**

21 A. For one thing, the cost of providing service obviously increases; but, in turn, our  
22 customers receive the benefit of greater protection of their waterways and safer drinking

1 water that is free of harmful contaminants. Our customers also benefit from our  
2 commitment to provide them with safe and reliable utility service which is reinforced by  
3 compliance. Understandably, customers may be unaware of our efforts to meet  
4 regulatory requirements since they do not necessarily see a perceptible change in the  
5 quality of service and therefore, may also be largely unaware of the hidden benefits of  
6 compliance. Without the benefits of compliance, residential development simply cannot  
7 be sustained—much less begun. And, of course, these benefits accrue to the overall well-  
8 being and value of the communities we serve.

9 **Q. MR. HAAS, YOU ALSO STATED THAT A PURPOSE OF YOUR TESTIMONY**  
10 **IS TO SUPPORT THE COMPANY'S REQUEST FOR MODIFICATION OF**  
11 **CERTAIN TERMS AND CONDITIONS PERTAINING TO THE PROVISION OF**  
12 **THE COMPANY'S SERVICES; WOULD YOU PLEASE DESCRIBE THESE**  
13 **MODIFICATIONS?**

14 **A.** Certainly. The only modification of terms and conditions proposed by USSC in  
15 this proceeding adds language providing that, for water service to customers not  
16 described in the South Carolina Department of Environmental Control Guidelines for  
17 Unit Contributory Loadings for Domestic Wastewater Treatment Facilities, 25 S.C. Code  
18 Ann. Regs. 61-67 Appendix A (Supp. 2006), such as irrigation service, the tap fees shall  
19 be the same as those for one (1) SFE. This modification clarifies that customers who wish  
20 to receive irrigation or similar types of water service from USSC would only be required  
21 to pay a tap fee based upon one (1) SFE.

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 **A.** Yes.